

**Department of Managed Health Care
2005 CalPERS/Blue Shield Narrow Network
Questions & Answers**

What was the decision?

Blue Shield filed with the department for approval to restrict the number of hospitals available to the enrollees of CalPERS. The order issued by the Department of Managed Health Care (DMHC) approved the majority of the Blue Shield plan to narrow its HMO network, including the elimination of 13 of the 28 Sutter Health hospitals in northern California. Of the total hospitals statewide requested for elimination in the Blue Shield proposal, DMHC approved 24 hospitals and denied four of the 28 on the list. Blue Shield's plan will affect approximately 40,500 current and retired public employees in the Sacramento area, however, more than 10,000 will be able to keep their primary care physician. Statewide, approximately 58,000 enrollees in 15 counties will be affected with 48,000 who will need to find a new primary care physician.

Who is impacted by these changes?

Any member whose doctor contracts exclusively with Sutter (or one of the other hospitals being eliminated) and no other hospitals, medical groups, or provider networks, will need to choose a new plan or primary care physician if they wish to stay in the Blue Shield HMO program.

While CalPERS had previously reported that these changes did not impact those in the Blue Shield HMO Supplement to Medicare plan, Medicare members with Sutter doctors will be subject to the same 2005 Blue Shield CalPERS Network as the Basic plan. However, Medicare members with non-Sutter doctors are not affected.

Who is NOT impacted by these changes?

Members whose doctors are not contracted exclusively with Sutter.

Members in the Blue Shield HMO Supplement to Medicare plan, **except** for those with Sutter doctors.

Those currently in treatment for serious illness or who are in the latter part of a pregnancy will be able to continue their course of treatment with their current doctors.

Those choosing to leave the HMO plan and select a PPO plan for next year.

What does this mean to CalPERS enrollees?

While most Blue Shield HMO plan members will not be significantly impacted by the network change, those who have a Sutter doctor as their primary care physician affiliated with one of the excluded hospitals will be required to choose a new doctor or change health plans before the new network goes into effect on January 1. Members can go to the online list of excluded hospitals on the DMHC Website to help determine if their hospital is affected.

If you have a Sutter doctor, but that doctor is also a member of another medical group (i.e., Hill Physician Medical Group, UC Davis Health System, etc.), you can keep your doctor and stay in Blue Shield HMO, by simply changing your medical group affiliation. Be sure to check if any specialists you use are also available in the new medical group. You can check find your doctor's medical group in the "Find A Provider" section at www.mylifepath.com or by using the customer service telephone number on your Blue Shield member card. CalPERS has also arranged to have informational kiosks at several sites in Sacramento during the Open Enrollment Period staffed by knowledgeable customer service representatives who can help in the physician selection process.

If you have a Sutter doctor who is not a member of any other medical group, and you want to keep that doctor, you will need to change to another health plan during the Open Enrollment Period this fall that continues to include the doctor in their network. While you will need to select your health plan during Open Enrollment, you are free to select or change your primary care provider during the plan year by either contacting Blue Shield member services or on the Blue Shield website at www.mylifepath.com.

If you will be in an active course of treatment with your doctor beyond December 31, 2004, please read the continuity of care advice below.

Will there be adequate availability of hospital beds and/or providers in the Sacramento area without Sutter?

The review by DMHC staff showed that hospital access for current Sutter patients would be comparable through Catholic Healthcare West and the UC Davis Medical Center. Individual providers in medical groups are available through Hill Physicians, Med Clinic, Golden State Physicians, Sierra Nevada IPA and Woodland Clinic. Information provided to the DMHC by Blue Shield, as well as the Department's independent analysis, demonstrated that there was sufficient capacity in the receiving medical groups for the number of enrollees who would need to transition to new primary and specialty physicians. California law requires health plans to maintain provider networks of physicians and hospitals that provide adequate and timely access. It does not require a health plan to contract with every doctor or hospital in a county.

Emergency care will continue to be available for CalPERS members at Sutter facilities or any other hospital, as required by law. The DMHC has determined that enrollees will continue to receive quality health care through the alternate network. Additional protections have been required to ensure adequate access to specialists and continued care for new mothers or seriously ill patients. California law also requires Blue Shield to allow parents with children who are up to 36 months of age on December 31, 2004 to stay with their existing Sutter pediatrician for up to 12 months.

What should CalPERS enrollees do now?

With Blue Shield cleared to eliminate current hospitals and provider groups, affected CalPERS members will have the choice to enroll in a Preferred Provider Organization (PPO) plan, seek a new primary care physician if they wish to remain in the Blue Shield HMO product or switch to the Kaiser HMO plan. Enrollees will need to make their decision during the upcoming Open Enrollment period beginning in October. Health plan changes will be effective Jan. 1, 2005.

What are continuity of care provisions for current CalPERS patients? What are an enrollee's rights to continue care with their current provider?

By law, Blue Shield must offer enrollees who qualify for continuity of care the ability to continue that care, upon request, with an otherwise excluded provider.

Enrollees who have:

- ✓ **An acute condition (ruptured appendix, broken bone);**
- ✓ **A serious chronic condition (diabetes, heart condition);**
- ✓ **A terminal illness;**
- ✓ **A planned surgery or other procedure to be performed within six months after the contract termination;**
- ✓ **A pregnancy; or**
- ✓ **Have a child between birth and 36 months of age**

And are interested in “completing” services with a provider or facility no longer a member of the network, should contact Blue Shield customer service and specifically request “Completion of Covered Services” for the condition or procedure.

Next steps for impacted CalPERS enrollees:

First, it's important to remember that the provider changes do not take effect until January 1, 2005. Members will need to take the following steps during Open Enrollment.

Step 1 - Determine if you will be impacted by the changes to the Blue Shield provider network.

Is your doctor affiliated with Sutter or one of the other excluded hospitals? Is your doctor affiliated with another medical group or independent physician association on the Blue Shield provider list?

You can find this information by either talking to your doctors and providers or by using the Blue Shield HMO online “Find a Provider” service.

To use the online service, you can search by provider type, or enter your current doctor's name. Once the information for a specific doctor is on the screen, choose the “About This Provider” link. You'll then see information on each doctor's medical group affiliations.

If they belong to more than one medical group, you can keep your doctor by simply moving to a different medical group. You will not have to change your provider or change your plan to keep that doctor.

Step 2 - Determine if you need to make any changes to your coverage (i.e., your medical group) or even your health plan. If you decide you want to keep this doctor, request any changes during the Open Enrollment period. The changes would take effect January 1, 2005.

If the “Find a Provider” program shows that your doctor is a Sutter doctor only, you will need to either change doctors or change your health plan. Don’t forget to check out any specialists you see also.

If the program shows they are affiliated with other medical groups, you would simply contact Blue Shield and make your medical group change.

Step 3: Review all of the information materials you’ll be receiving carefully.

You’ll want you to know everything you can before you make your health care decision. Those impacted by these changes should receive a letter from Blue Shield providing the options available. CalPERS will be distributing Open Enrollment Packages, which will have all the information you need to make your health care decision.

Remember, representatives for Blue Shield are also available to provide you with any assistance you may need.

If you are not getting your questions answered by Blue Shield, the DMHC’s HMO Help Center is also available for questions or problems. Our number is 1-888-HMO-2219.

For further information or if an enrollee has questions, contact:

Blue Shield HMO Member Services Center
(800) 334-5847

CalPERS Customer Contact Center
(888) CalPERS (225-7377)

Department of Managed Health Care – HMO Help Center
(888) HMO-2219 or www.dmhc.ca.gov